

AS

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-468-C - ORDER NO. 98-7  
JANUARY 7, 1998

|                                |   |                |
|--------------------------------|---|----------------|
| IN RE: APPLICATION OF BUSINESS | ) |                |
| TELECOM, INC. D/B/A BTI FOR A  | ) | ORDER <i>✓</i> |
| CERTIFICATE OF PUBLIC          | ) | GRANTING       |
| CONVENIENCE AND NECESSITY      | ) | APPLICATION    |
| TO PROVIDE LOCAL EXCHANGE      | ) | TO PROVIDE     |
| TELECOMMUNICATIONS SERVICES    | ) | LOCAL SERVICE  |
|                                | ) |                |
|                                | ) |                |

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This matter comes before the Public Service Commission of South Carolina ("the Commission") by way of the Application of Business Telecom, Inc., d/b/a BTI ("BTI" or "the Company") for authority to provide Local Exchange Service within the State of South Carolina and by way of the Company's Motion for Expedited Review of Application. The Applicant requests authority to provide local exchange service within South Carolina. The Application was filed pursuant to S.C. Code Ann. § 58-9-280 and the Regulations of the Commission.

By letter, the Commission's Executive Director instructed BTI to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the areas affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the manner and time in which to file the appropriate pleadings for participation in the proceedings. BTI complied with this instruction and provided the Commission with proof

of publication of the Notice of Filing.

A Petition to Intervene was received from the South Carolina Telephone Coalition ("SCTC"). Counsel for SCTC filed a Stipulation on December 19, 1997, in which, BTI stipulated that it would only seek authority in non-rural local exchange ("LEC") service areas of South Carolina and that it would not provide any local service to any customer located in a rural incumbent's service area, unless and until BTI provided written notice of its intent prior to the date of the intended service. BTI also stipulated that it was not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas. BTI agreed to abide by all State and Federal laws and to participate to the extent it may be required to do so by the Commission in support of universally available telephone service at affordable rates. The SCTC withdrew its opposition to the granting of a statewide Certificate of Public Convenience and Necessity to BTI provided the conditions contained in the Stipulation are met. The Stipulation is approved and attached as Order Exhibit 1.

In support of its Application, BTI submitted the verified testimony of Anthony M. Copeland, Vice President and General Counsel of BTI. The purpose of Copeland's testimony was to explain the local exchange services BTI proposes to offer in South Carolina and to review BTI's qualifications to provide such services.

### DISCUSSION

S.C. Code Ann. § 58-9-280 (Supp. 1997) provides that the Commission may grant a certificate to operate as a telephone utility...to applicants proposing to furnish local telephone service in the service territory of an incumbent LEC.

After full consideration of the applicable law, BTI's application, the Motion for Expedited Review of the Application, and evidence submitted by BTI, the Commission finds and concludes that the Certificate sought by BTI should be granted. The Commission's determination is based on the following criteria as provided in S.C. Code Ann. § 58-9-280 (Supp. 1997) and the evidence submitted in support of the motion which relates to that criteria:

1. The Commission finds that BTI possesses the technical, financial, and managerial resources sufficient to provide the services requested. S.C. Code Ann. § 58-9-280(B)(1) (Supp. 1997). Mr. Copeland's testimony indicated that BTI's local service operations in South Carolina will be operated in conjunction with its present provision of long distance services. According to Mr. Copeland, the members of BTI's management team have extensive experience in providing high quality resold telecommunications services on both a local and interexchange basis. Regarding BTI's financial resources, Copeland's testimony indicated that BTI is financially well qualified to provide telecommunications services in South Carolina. Mr. Copeland also offered that BTI's current successful provision of resold interexchange services within South Carolina is proof of BTI's technical, managerial, and financial ability to provide local exchange resale

services in the State. Based on the undisputed testimony of Copeland, the Commission finds that BTI possess the technical, financial, and managerial resources sufficient to provide the services requested.

2. The Commission finds that BTI will provide services which will meet the service standards of the Commission. S.C. Code Ann. § 58-9-280(B) (Supp. 1997). Mr. Copeland's testimony indicated that BTI seeks to provide intrastate local exchange services. Mr. Copeland specifically stated that BTI will comply with all applicable rules, policies and statutes applicable to the offering of those services and that BTI fully intends to meet the Commission's service standards. Furthermore, BTI modified its illustrative tariff to include all matters discussed with the Staff to conform said tariff to South Carolina law and filed the revised, illustrative tariff with the Commission on December 3, 1997. Based on the undisputed testimony of Copeland, the Commission believes, and so finds, that BTI will provide telecommunications services that will meet the service standards of the Commission.

3. The Commission finds that BTI's "provision of service will not adversely impact the availability of affordable local exchange service." S.C. Code Ann. § 58-9-280(B)(3) (Supp. 1997). Copeland's testimony reveals that BTI believes that approval of its Application will further the public interest by expanding the availability of alternative sources of local services in South Carolina by providing customers with new options for their local service needs. Therefore, based on the undisputed evidence of record, the Commission finds that provision of local exchange services by BTI will not adversely

6. By its Application, BTI requested a waiver from maintaining its books and records under the Uniform System of Accounts. BTI asserts that it maintains its books and records according to General Accepted Accounting Principles ("GAAP") and that the Commission will be able to obtain any information necessary to evaluate BTI's performance under GAAP. BTI further offers that a waiver of the requirement that books maintained under the Uniform System of Accounts will allow BTI to avoid maintaining two sets of books. BTI also requested a waiver of the requirement of publishing a directory and states that it will arrange for its customers to be published in the LEC directory. Finally, BTI seeks exemption from any report not applicable to a resale local provider. BTI offers that as a reseller, BTI will not construct facilities or have direct control over physical facilities and therefore requests exemption from any report not applicable to a resale local provider.

IT IS THEREFORE ORDERED THAT:

1. The Application of BTI for a Certificate of Public Convenience and Necessity to provide competitive intrastate local exchange services in the non-rural local exchange service areas is approved. BTI is hereby authorized to provide competitive local exchange services in these areas in South Carolina. The terms of the Stipulation between BTI and SCTC are approved, and adopted as a portion of this Order. Any proposal to provide such service to rural service areas is subject to the terms of the Stipulation.

2. BTI shall file, prior to offering local exchange service in South Carolina, a final tariff of its service offerings conforming to all matters discussed with

the Staff, and comporting with South Carolina law in all matters.

3. BTI shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relation (complaint) matters, engineering operations, and tests and repairs. In addition, BTI shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. BTI shall file with the Commission the names, addresses, and telephone numbers of those representatives within thirty (30) days of receipt of this Order. (Attachment A shall be utilized for the provision of this information to the Commission.) Further, BTI shall promptly notify the Commission in writing if the representatives are replaced.

4. BTI is directed to comply with all Commission regulations unless expressly waived by the Commission.

5. BTI shall conduct its business in compliance with Commission decisions and Orders, both past and future, including but not limited to, any and all Commission decisions which may be rendered in Docket No. 96-018-C regarding local competition.

6. By its Application, BTI requested waivers of certain Commission Regulations. BTI requested a waiver from the Uniform System of Accounts, directory publishing, and certain reporting requirements not applicable to a resale local provider. The Commission grants waivers for these three areas. However, BTI is directed to comply with all other Commission regulations unless expressly waived by the Commission.

impact affordable local exchange service.

4. The Commission finds that BTI will support universally available telephone service at affordable rates. S.C. Code Ann. § 58-9-280(B)(4) (Supp. 1997). BTI agreed in the Stipulation with the SCTC to participate in the support of universally available telephone service at affordable rates as required by State and Federal laws and as required by the Commission's Rules and Regulations. Based on the undisputed evidence of record, the Commission finds that BTI will participate in support of universally available telephone service at affordable rates.

5. The Commission finds that the provision of local exchange service by BTI "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997). Copeland offered testimony that the approval of BTI's application will benefit South Carolina customers by expanding their options for their local service needs. Further, Mr. Copeland stated that the presence of BTI in the market will increase the incentives for the incumbent local exchange carriers to reduce their prices, offer more innovative services, and improve their quality of service, thereby benefiting all consumers in South Carolina. Therefore, the Commission finds that approval of BTI's Application to provide local exchange service "does not otherwise adversely impact the public interest." S.C. Code Ann. § 58-9-280(B)(5) (Supp. 1997).

Therefore, based on the findings above, the Commission finds and concludes that a Certificate of Public Convenience and Necessity should be granted to BTI.

BEFORE  
THE PUBLIC SERVICE COMMISSION  
OF  
SOUTH CAROLINA

Docket No. 97-468-C

|   |   |  |
|---|---|--|
| Re: Application of Business Telecom, Inc. d/b/a BTI | ) |  |
| for a Certificate of Convenience and                | ) |  |
| Necessity to Operate as a Reseller of Local         | ) |  |
| Exchange Telecommunications Services                | ) |  |
| in South Carolina                                   | ) |  |
|   | ) |  |
|   | ) |  |
|   | ) |  |

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**STIPULATION**

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Business Telecom, Inc. d/b/a BTI ("BTI") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, the necessity for SCTC's intervention in this matter is avoided and SCTC withdraws its opposition to BTI's Application. SCTC and BTI stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to BTI, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. BTI stipulates and agrees that any Certificate which may be granted will authorize BTI to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. BTI stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.



4. BTI stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until BTI provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, BTI acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. BTI stipulates and agrees that if, after BTI gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law, or the Commission institutes a proceeding of its own, then BTI will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. BTI acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs, and this Stipulation in no way suspends or adversely

affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

8. BTI agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. BTI hereby amends its application and its prefiled testimony in this docket to the extent necessary to conform with this Stipulation.

AGREED AND STIPULATED to this 18<sup>th</sup> day of December, 1997.

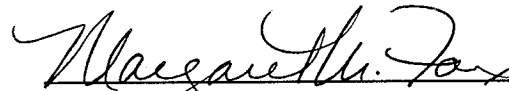
BTI Telecommunications

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Attorneys for the South Carolina  
Telephone Coalition

## ATTACHMENT A

### South Carolina Telephone Coalition Member Companies for Purposes of Local Service Stipulation

ALLTEL South Carolina, Inc.  
Bluffton Telephone Company, Inc.  
Chesnee Telephone Company  
Chester Telephone Company  
Farmers Telephone Cooperative, Inc.  
Ft. Mill Telephone Company  
Hargray Telephone Company, Inc.  
Heath Springs Telephone Company Inc.  
Home Telephone Company, Inc.  
Horry Telephone Cooperative, Inc.  
Lancaster Telephone Company  
Lockhart Telephone Company  
McClellanville Telephone Company  
Norway Telephone Company  
Palmetto Rural Telephone Cooperative, Inc.  
Piedmont Rural Telephone Cooperative, Inc.  
Pond Branch Telephone Company  
Ridgeway Telephone Company  
Rock Hill Telephone Company  
Sandhill Telephone Cooperative, Inc.  
St. Stephen Telephone Company  
West Carolina Rural Telephone Cooperative, Inc.  
Williston Telephone Company

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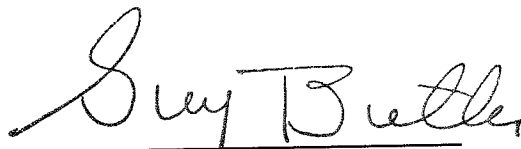
January 7, 1998

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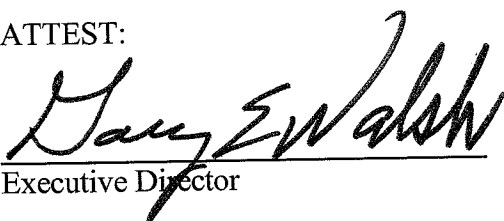
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7. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Deputy Executive Director

(SEAL)

DOCKET NO. 97-468-C - ORDER NO. 98-7  
JANUARY 7, 1998  
ATTACHMENT A

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INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES  
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and  
maintain with the Commission the name, title, address, and  
telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

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Company Name/DBA Name

---

Business Address

---

City, State, Zip Code

---

Authorized Utility Representative (Please Print or Type)

---

Telephone Number

---

Fax Number

---

E-Mail Address

---

This form was completed by

---

Signature

If you have any questions, contact the Consumer Services  
Department at 803-737-5230